

**Internal Revenue Service  
P.O. Box 2508  
Cincinnati, OH 45201**

**Department of the Treasury**

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**Employer Identification Number:**

**Contact Person - ID Number:**

**Date: June 12, 2012**

**Contact Telephone Number:**

UIL: 4945.04-04

**LEGEND**

W= Program Name  
X = Program Name  
Y = Program Name  
Z = Program Name  
B= Names  
t= Specific grade point average  
u= Quantity

Dear \_\_\_\_\_ :

We have considered your request for advance approval of your grant-making program under section 4945(g)(1) of the Internal Revenue Code, dated January 9, 2012.

Our records indicate that you are recognized as exempt from federal income tax under section 501(c)(3) of the Code and that you are classified as a private foundation as defined in section 509(a).

You indicated that you will operate grant-making programs called W, X, Y, and Z.

The purpose of W is to provide scholarships to students who would otherwise find it difficult to meet the expenses associated with obtaining a GED, an undergraduate degree, graduate degree or pursuing a diploma program.

The purpose of X is to provide scholarships to college students who are single parents, in financial need, and are pursuing a bachelor's degree, an associate's degree, diploma program or graduate degree. The intention of this award is to assist single parents who do not have the support of a domestic partner.

The purpose of Y is to provide scholarships to non-traditional adult students, in financial need, returning to full-time post-secondary education.

The purpose of Z is to provide scholarships to college students in financial need, who are pursuing a bachelor's or associate's degree, diploma program or graduate degree and have survived a natural disaster (such as flood, hurricane or tornado) or significant man-made disaster (such as massive oil spill or terrorist attack).

Your programs will primarily focus on individuals in the states of B but you will accept applications from all over. Your programs will be listed in registries, which publish scholarship entity information in the public domains. Potential applicants will email you to receive additional information and an application to apply for your scholarships.

The number and amount of scholarships you will award are based on the number of applicants, the need of the applicants, and funding available. The scholarship amounts may be adjusted accordingly.

The criteria to determine eligibility for the each program are as follows:

- To qualify for W, the applicant must have a GPA of at least t, must not have any felony convictions or have satisfied the terms of such a conviction by mid summer of the application year. The applicant must also demonstrate financial need, concern for others, motivation for personal success through paid work experience, ability to succeed in college and the ability to clearly communicate personal strengths.
- To qualify for X, the applicant must be a single parent with custody of a dependent child/children (under the age of 18), and be "head of household" as defined by the IRS regulations. The applicant must also have a high school diploma or GED, or be about to complete high school or receive a GED, or be a continuing college student. The applicant must be seeking a bachelor's degree, an associate's degree or pursuing a diploma program. As in the previous program, the applicant must not have any felony convictions or have satisfied the terms of such a conviction by mid summer of the application year. The applicant must also demonstrate concern for others, personal motivation to succeed, leadership ability, and clear communication skills.
- To qualify for Y, the applicant must be at least u years of age, seeking a certificate, an associate's degree, bachelor's degree, or graduate degree or pursuing a diploma program and attending school attend full-time on campus. As in the previous programs, the applicant must not have any felony convictions or have satisfied the terms of such a conviction by mid summer of the application year; the applicant must demonstrate concern for others, personal motivation to succeed, leadership ability, and clear communication skills.
- To qualify for Z, the applicant must show he/she has survived a natural disaster or man-made disaster within a year from the application date. The applicant must be either a high school graduate (or equivalent), enrolled in a two or four year degree program at a college or university, or a student planning to enroll in a technical college or graduate school. Moreover, the applicant must have a GPA of at least t. As in the previous programs, the applicant must not have any felony convictions or have satisfied the terms of such a conviction by mid summer of the application year; the applicant must demonstrate concern for others, personal motivation to succeed, leadership ability, and clear communication skills.

For all four programs, applicants must submit a scholarship application form and provide supporting documentation. In addition, the applicant must detail his/her financial need

and describe his/her career plans in a statement not to exceed two pages, provide transcripts, and provide letters of reference. The board of directors will set application date deadlines. Applications with missing parts will not be considered but the board of directors may make exceptions to or extensions for the deadlines upon showing of extenuating circumstances.

Your selection committee is comprised of your Board of Directors. As part of the selection process, relatives of the Board of Directors and the selection committee are not eligible for scholarships. In addition, disqualified persons and relatives of disqualified persons are not eligible.

For W, X, and Z, the selection committee will choose recipients who demonstrate:

- Concern for others and has contributed time and energy to volunteer projects and/or service organizations.
- Motivation and desire to contribute to personal success through paid work experience.
- Leadership ability through participation in school and community activities
- An ability to succeed in college.
- An ability to communicate personal strengths.

For Y, the selection committee will select recipients who demonstrate:

- A history of working responsibly on the job or in the home by helping to raise a family.
- A commitment to education as a way for improving their lives and the lives of their families and their communities.
- Involvement in the community through volunteer service to others.
- Active participation and/or leadership in family, school or community activities.
- An ability to clearly communicate personal strengths and goals.
- An ability to benefit from college.

Scholarship recipients must provide evidence of acceptance and/or registration in an acceptable education program and are required to sign an affidavit that scholarship funds will be used in accordance with the scholarship program requirements; the funds then are provided directly to the recipient. Moreover, scholarships are awarded each academic period and may be renewed annually, provided that the student is not on academic or disciplinary probation and is making satisfactory progress towards completion of the degree or program. Additionally, the student must maintain a 2.5 GPA.

You will obtain and verify progress reports with the educational institution each academic period. Additionally, upon completion of the recipient's chosen degree or program, you will collect a final progress report from the recipient.

When a progress report is not filed by the student, or where there may be indication that funds were not used for the intended purposes, you will investigate and take reasonable steps to recover misused funds until you have determined that the funds have been used

for their intended exempt purpose. Moreover, you will withhold further payments from the educational institution on behalf of the recipient.

You will retain all records submitted by the students and their education institutions, including original applications, semester reports (and/or applicable periodic academic reports), and progress reports. You will maintain records of all scholarships awarded and related payment schedules for each scholarship recipient. You will obtain and maintain evidence that no recipient is related to you, or to members of your Board of Directors, of disqualified individuals or any member of the selection committee.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) (as in effect on the day before the date of the enactment of the Tax Reform Act of 1986) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed, with a view to providing objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards

granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3).

In addition, we have determined that awards made under your procedures are 'scholarship or fellowship' grants within the meaning of section 117 of the Code, and are excludable from the gross income of the recipients subject to the limitations provided in section 117(b) of the Code, including to the extent that such grants are used for qualified tuition and related expenses within the meaning of section 117(b)(2) of the Code.

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(1) of the Code. **This determination only covers the grant programs described above.** Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Lois G. Lerner  
Director, Exempt Organizations